

ARGUMENT

Who's Afraid of the Global South?

Revisiting two 50-year-old U.N. resolutions should help dispel fears about a shifting economic world order.

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A draft declaration on the establishment of a new international economic order is adopted by an ad hoc committee of the sixth special session of the U.N. General Assembly on May 1, 1974. TEDDY CHEN/UNITED NATIONS

The global south is on the rise, with China's emergence as the world's largest economy, the top trading partner of more than 120 countries, and the single biggest development financer; the formation and subsequent expansion of the BRICS+ bloc; and the return of a Latin American "pink tide" willing to confront U.S. influence in the region. After decades of U.S. dominance, a new, multipolar world order is emerging, even if its exact contours have yet to be defined.

In Washington, this challenge to the West's singular power has been met with consternation and confrontation. Rather than trying to understand the global south's motivations, some have questioned its very existence. To be sure, the global south is no monolith. Proponents of southern unity have long recognized that their movement contains great cultural, political, and economic diversity and even contradictions. But there are also clear points of agreement and a coherent set of grievances and demands that too often go unheard.

Fifty years ago, the nations of what was then called the Third World put forth a radical plan to transform the global economy—a new international economic order (NIEO). Understanding that proposal can help us to demystify, and find opportunities in, today's turning geopolitical tides.

Left: Indian Prime Minister Jawaharlal Nehru attends the Bandung Conference in Indonesia in April 1955. ERNST HAAS/ERNST HAAS/GETTY IMAGES Right: Egyptian Prime Minister Gamal Abdel Nasser (right) and Yemeni Prime Minister Hassan ibn Yahya talk during a break at the Bandung Conference in April 1955. GETTY IMAGES

In the decades following World War II, dozens of new

countries emerged from under the thumb of colonialism. But the prosperity that was expected to follow in the wake of independence never arrived. Political sovereignty, the leaders of these nations came to believe, did not automatically translate into economic sovereignty. The global economic architecture itself was skewed, they asserted, designed even after formal colonialism ended to exploit the labor and resources of the poorer nations for the benefit of the rich.

At a 1955 conference in Bandung, Indonesia, dozens of these formerly colonized nations came together to begin the process of forging a collective identity and asserting their shared interests on a tilted playing field. The Third World movement, named in proud contrast to the U.S.-aligned West (the First World) and the Soviet-aligned Eastern Bloc (the Second World), was born. In the decades that followed, this heterogeneous grouping of African, Asian, and Latin American and Caribbean nations, organized under banners such as the Non-Aligned Movement and the Group of 77, would wage collective struggles against both the remaining colonial system and the “neocolonial” system that succeeded it. Nearly 20 years after Bandung, the movement won perhaps its greatest battle.

On May 1, 1974, the nations of the Third World, backed by their allies in the Second World and the newfound power of oil-exporting nations, managed to overcome the protests of the wealthy First World and pass two landmark documents—the Declaration and the Programme of Action on the Establishment of a New International Economic Order—through the United Nations General Assembly.

The theory behind the initiative was simple: The rules undergirding the global economic system are unfair, and development depends on poorer

nations uniting to change them. Though intuitive to its proponents across the Third World, this perspective was—and still is—at odds with the prevailing orthodoxy in Washington. Understanding it is key to making sense of our world today.

The existing economic order, the declaration proclaims, is defined by “alien and colonial domination, foreign occupation, racial discrimination, apartheid and neo-colonialism.” This constitutes “the greatest obstacles to the full emancipation and progress of the developing countries.”

Development therefore requires the construction of a new order, founded on sovereignty, equity, and international cooperation.

To achieve this, the NIEO resolutions outline a comprehensive rewriting of the rules of the global economy: namely, enshrining the rights of nations to have control over their natural resources; ending the concentration of access to key technologies; strengthening the regulation of multinational corporations; ensuring adequate global liquidity; reducing the growing burden of sovereign debt; democratizing institutions such as the International Monetary Fund (IMF); and providing preferential treatment for poorer countries in matters of trade and financing. These were just a few of the demands endorsed in the NIEO resolutions by the highest democratic body in global governance.

No one thought these ambitious reforms would arrive by decree. Indeed, as the Argentine representative to the U.N. said at the time: “The new international economic order most certainly will not only be built with declarations; it should be carried out through action.” But the NIEO resolutions offered a blueprint—a proclamation of the Third World’s collective vision for a more equal global economy and a plan to achieve it.

Yet what was meant to chart a course to a brighter future would turn out to be the peak before the fall.

In the years that followed the resolutions, the power of the Third World movement faltered. Caught in the tides of the Cold War, the movement's strongest champions fell. From Indonesia to Chile to Grenada, they were often violently, and with U.S. backing, removed from power. The mounting debt from which the NIEO sought relief, a powder keg ignited by the Volcker shock, reached crisis proportions. Desperate indebted countries were forced to accept IMF loans, with their "structural adjustment" conditions.

Eventually, the collapse of the Soviet Union meant the loss of both an often ally of the Third World movement and the primary global counterweight to the United States.

In this moment of unparalleled unipolar dominance, the global economy did indeed transform but not in a way resembling the vision of the NIEO. Multinational corporations grew all the more powerful, while trade agreements and new corporate courts were established to protect them. Unsustainable debt burdens became a constant feature of the global economy and a tool for multilateral financial organizations—and the Western powers that dominate them—to exert control over indebted countries' sovereign policy. The monopolization of technology was written into law. The narrow interests of wealthy nations and their corporations became more deeply enshrined in the rules of the global economy than ever before.

Rather than a new era of shared prosperity, these changes ushered in multiple "lost decades" of development, the growth of global inequality, and (with the notable exception of China, which avoided Washington

Consensus reforms) the relative stagnation of progress on global poverty.

The NIEO was consigned to the past—for many, a relic of a more hopeful time, but for others, completely forgotten.

A member of the Ugandan army monitors access to the main plenary during a summit of the Non-Aligned Movement in Kampala, Uganda, on Jan. 19. LUIS TATO/AFP VIA GETTY IMAGES

In the West, it is not only the history of this specific proposal that has been blotted from memory but the wider understanding of the challenges, perspectives, and politics that motivated it. To those used to

seeing development as a question of technocratic policymaking or to treating international relations as a zero-sum battle between democracy and authoritarianism, it can be hard to conceive that, to much of the world, today as in 1974, the fulcrum of geopolitics is the disparity of power, and the struggle to right systemic inequities, between what are now typically called the global north and global south.

In the half-century since the NIEO identified the structural impediments to development, the world's mightiest nations have not only failed to remove these obstacles but have used their great power to entrench them. To many across the global south, the global north, with the United States at its head, is the guardian of a political and economic order that has failed them. It should be no surprise that those left behind seek to fight together for an alternative, a shot at achieving what we all want: to live well.

At the World Trade Organization, India and South Africa recently spearheaded efforts to loosen intellectual property restrictions and facilitate global access to essential medicines like the COVID-19 vaccine. At the United Nations, African countries have been at the forefront of a campaign to wrest global tax policy away from the rich countries club and end the systemic tax avoidance practices that have drained billions of dollars from their economies. At the World Bank and IMF, southern country blocs are fighting for debt cancellation, concessional financing, governance democratization, and an end to regressive loan conditions. The Non-Aligned Movement and the G-77 continue to regularly meet and to renew their commitments to building a more equitable world economy.

The reemergence of the global south may in fact be a threat to the existing U.S.-led international order. But perhaps that's a good thing—for all of us.

While the primary concern of the NIEO was, rightly, the well-being of the world's impoverished billions, its champions did not position the development of the Third World as a loss for the people of the First World. Indeed, the NIEO declaration itself proclaimed that "there is a close interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts."

It is no coincidence that the era following the NIEO's defeat saw stagnating wages, widening inequality, the erosion of social protections, and a resulting anti-democratic backlash in the global north. While a new economic order would come at the expense of those whose profits depend on a steady flow of cheap, exploitable resources and labor in the global south, working Americans stand only to gain from an end to the global race to the bottom. Shared prosperity, multilateral cooperation to confront global challenges such as climate change, the establishment of a rules-based order worthy of the name—these are global public goods from which all can benefit.

To recognize the legitimacy of the demands of the global south, and the opportunities proffered by its growing strength, is not to blindly support every action of every southern actor. To be sure, some governments in the global south, as in the north, pursue domestic and foreign policies at odds with development, peace, democracy, or human rights. But these essential goals are more, not less, likely to flourish in the context of an international order that offers a real shot at development. It would be a mistake to dismiss valid demands for a more equitable international economic system over the fears of the abuse of a few.

The age of renewed southern power may bring its own challenges, but it is not something to be afraid of. Quite the opposite, it offers an opportunity to realize a dream that has for too long been deferred—half a century later, a chance to build a new international economic order and a more just, prosperous, and peaceful world for all.

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